



# MONTGOMERY HOUSING ALLIANCE

[www.montgomeryhousingalliance.org](http://www.montgomeryhousingalliance.org)

*A coalition of organizations focused on increasing the rate of preservation and development of affordable housing in Montgomery County*

## **Testimony on the Montgomery County FY24 Capital Budget** Montgomery Housing Alliance

February 9, 2023

Good evening Council President Glass and members of the Council. My name is Mary Kolar, and I am testifying on behalf of Montgomery Housing Alliance (MHA), a county-wide coalition of affordable housing providers and advocates across the housing continuum.

As you take up the County Executive's proposed budget, we strongly encourage you to significantly increase funding for affordable housing, in order to meet housing targets and support other critical priorities.

In 2018, MHA called on the county to invest \$100 million annually in the Housing Initiative Fund (HIF) by 2022. Last year for the first time, we met this unprecedented goal. While we have made major strides over the last four years, we now know that we must add over 47,000 units of housing over the next decade, the majority of which must be affordable to low to moderate-income households. This challenge is only compounded in the face of lingering economic effects of the pandemic, rising construction costs, and increases to interest rates. In addition to development of new units, HIF funds must continue support other important priorities, including preservation of naturally occurring affordable housing, and services to address homelessness and eviction prevention.

A diverse, vibrant, and economically robust Montgomery County is not possible if we cannot ensure that all residents have access to affordable homes. Half of Montgomery County households are housing cost burdened, paying over 30% of their income toward housing costs. Further, over 20,000 renter households pay more than *half* of their incomes toward rent. Every day these families must make impossible choices between paying for housing and paying for other critical priorities like education, health care, and reliable transportation. In order to meaningfully address these challenges, and to accommodate existing county residents and meet the needs of our growing population, we call on the County Executive and Council to substantially increase investment in the HIF over the next four years, toward an annual target of \$250 million by 2026.

Additionally, we urge you to work with the County Executive and Department of Housing and Community Affairs (DHCA) to issue a \$100 million bond to provide capital for long term,



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permanent financing of housing affordability projects and other appropriate uses of the HIF. In the FY23 budget, the Council directed DHCA to explore options for such a bond fund. Now is the time to take action; dedicating a few million dollars annually from the HIF for the bond's debt service would permit the kind of significant equity infusion that will allow us to move swiftly to increase development at the necessary scope.

We applaud the Council's commitment to housing over the past several years, and efforts to craft innovative policy tools to address the real and significant need that persists. But without a transformative level of investment in the HIF we will fall short – not only of meeting the target for new units, but of addressing all of our crucial housing priorities.

Thank you for the opportunity to provide input as you consider this matter.



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